



**I/3 Customer Council  
Meeting Minutes (FINAL)  
February 8, 2007 ~ 1:30 – 3 p.m.  
Hoover Building, Level A, Conference Room 7**

**Present:** John Baldwin, Rich Jacobs, Joel Lunde, Carl Martin, Charlie Smithson, Roger Stirler, Greg Wright  
**Excused:** Peggy Sullivan  
**Absent:** Mike Marshall, Penny Westfall  
**DAS Staff:** Mollie Anderson, Jay Cleveland, Brenda Easley, John Gillispie, Pat Lantz, Deb Madison-Levi, Lori McClannahan, Calvin McKelvogue, Laura Riordan, Sharon Sperry, Julie Sterk  
**Guests:** Mike Hahn, DOM

Roger Stirler, chair, called the meeting to order at 1:39 p.m.

Minutes from the last meeting (08/17/06) were approved; motion by Carl M. and seconded by Rich J.

The Council welcomed Greg Wright of the Iowa Veterans Home as a new member of the I/3 Customer Council. Greg replaces Steve Mosena as a representative of large state agencies.

Director Mollie Anderson provided an update surrounding general issues and the FY2008 appropriation for I/3. She reminded the Council that when the rate for FY08 was set last summer, it was with the understanding that DAS and IDOM would work together to seek an appropriation from the Legislature to fund the increase in the cost of I/3 from FY07 to FY08 (approximately \$2.3 million). The Governor's budget recommended \$2,000,000 to be distributed to agencies for this purpose, which is approximately \$300,000 less than requested. Director Anderson discussed the budget process and added that we intend to support the Governor's budget. Director Anderson said that work continues with Joel Lunde, Charlie Krogmeier and Dick Oshlo from the Department of Management to determine ways to fully fund this fee; the customers expect us to do everything we can to find ways to manage this while also addressing the realities of the budget. Director Anderson noted that it is best to take the \$2,000,000 and get that into the agencies' account and collectively work together; then, we can expect to have the Governor support this if we are together as a whole.

I/3 Customer Council members John Baldwin and Charlie Smithson were present at a recent Administration and Regulation Committee meeting of the legislature this past week and were able to provide insight into the realities and complexities surrounding I/3 and the importance of continued funding. Representative Jeff Danielson, Chair of Administration and Regulation,

asked whether this was the right way to do things and whether agencies really need to have this system, along with other related questions concerning reliability of the vendors and future success. It was acknowledged during this legislative meeting that there have been improvements, but there are times when it is not working. The legislators present expressed displeasure that the I/3 system is down at all. It was noted that other states have spent much more on the same system.

Director Anderson asked for patience from the Council's members while we work with DOM to try and find a way to fill the gap. Council member Joel Lunde suggested working with the appropriations chairs to make sure the \$2,000,000 is there. Director Anderson added that there is much to do and people seem to understand the costs involved to operate this.

Sharon Sperry (DAS) provided a technical update on the I/3 System. We have met with the technical folks and visited about the bridge programs. The test process has been sent out and production will begin on March 12; will continue testing throughout. There has been a lot of interaction and good improvement. There have not been as many failure points due to the extra steps that have been taken to help with that. We have a replacement in for the DS4800 storage device – this was one of the major technical problems in the most recent months.

Lori McClannahan provided an update related to users. The new I/3 intranet site for users was unveiled at the meeting; it was noted that the site has a wealth of information in a user-friendly format including an online users' manual, links for online training, documentation, and applications. She reported that we've now moved into directly working with the users. This new tool should eliminate many phone calls. We're working with DHS to place service contracts on I/3 and other agencies on a variety of projects (Departments of Education, Corrections, ...). We have some new staff and are in the process of training; CGI folks will help us with some of that. We will looking into upgrading sometime this year and will provide you updates on that; we are in the planning stages at this point. A survey on the data warehouse was held and 40% of the 535 surveys were completed; a second survey was sent to financial managers and they were asked to prioritize their responses.

Member Rich Jacobs inquired as to whether users understand the timeline of activities, noting that upgrades can be painful; he believes we should work hard to get some sense of whether they understand what they are expected to do. Lori McClannahan noted that our plan takes this into consideration; they will have a period of time to transition. Member John Baldwin inquired as to the status of the HR/Payroll component. Lori McClannahan noted the ease of finding this on the site, which indicates: "The Human Resources/Payroll System module was the third phase of the I/3 Project. This phase was suspended by DAS in fall 2005. This System will assist in the management and payroll of employees. The System is on hold until more functionality can be developed and I/3 is more stable. The State must make a decision by June 2008 on whether to implement the HR/Payroll portion of I/3 or another alternative." John Gillispie (DAS) noted that our current system is 25+ years old and that we're getting to the point where we won't be able to hire people to work with these old, outdated systems. John Baldwin asked whether there is a working group talking to the Governor's office about this and Calvin McKelvogue (DAS) responded that this will occur after the session. Rich Jacobs pointed out that if we believe there is a need to make a case to legislators to spend money on this, then we need to put this together sooner rather than later. John Baldwin stressed the importance of not jeopardizing the payroll system and risking paychecks being late or incorrect; there's an especially negative impact possible on employees who don't work the standard 8 – 4:30 shift. Charlie Smithson said that if a

decision on the payroll system needs to be made by June '08, a funding decision needs to be made soon.

The Council then discussed the FY08 distribution method, as IPERS had questioned the amount they were being charged during the last rate-setting process. DAS-SAE prepared a comparison chart that showed current allocation amounts for agencies (based on the formula of FTEs, expenditures and revenues), and an allocation projection if appropriable receipts were not factored in. The Council discussed which method was more appropriate and more accurate. It was noted that if the methodology were to change, this would be the year to do it because of the \$2 million distribution. Calvin McKelvogue said the reason revenue figures were originally brought into the equation was to help satisfy federal standards. The feds wanted transaction-based billing, which isn't possible in I/3, so it was split into three different categories: full-time employees (FTEs), revenue and expenditures. Calvin said it could be difficult to justify to the feds if appropriable receipts are not factored in. The Council discussed if the I/3 allocation should just be based on expenses and FTEs. Roger Stirler asked if it would be possible to see a couple of different options worked out to compare; SAE staff indicated that would be possible for the next meeting.

Roger Stirler inquired as to agenda items for the next meeting and the Council members agreed that the I/3 rate methodology would be discussed further, along with updates on the appropriation.

With no further business to discuss, the meeting was adjourned at 2:45 p.m.

Respectfully submitted,  
Deb Madison-Levi & Laura Riordan, substitute secretary  
Approved: 04/12/07